

EXHIBIT 1

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09/22/2009 09:18 6107470677

PLICK AND ASSOCIATES

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September 22, 2009

Mr. Stephen Broderick
Hartford Insurance Company
P.O Box 37
Birdsboro, PA 19508

Re: Seventh and Allen Equities
Loss Location: 602-618 North Seventh Street
Allentown, PA 18101
Sprinkler Water Loss
Hartford Claim Number: CP8457355
Our File Number: 5621

Dear Mr. Broderick:

On or about March 4, 2009, a sprinkler activated on the third floor at the above-referenced loss location. The sprinkler reportedly activated due to a frozen pipe. Water from the activated sprinkler caused damaged throughout 602-618 N. Seventh Street, Allentown, PA 18101. Plick and Associates, Forensic Engineers was requested to investigate the cause of the sprinkler activation.

At your request, I visited the loss location on March 11, 2009. The building is a multi-floor commercial building/property. Rite-Aid Pharmacy leases the first-floor area. The second and third floor(s) are unoccupied. The mechanical room, where the heating and mechanical components are located, was locked and not accessible during my inspection.

The subject activated sprinkler was replaced prior to my inspection. The subject sprinkler was retained and presented to me by Rite-Aid employees. The sprinkler is a Viking, Viking Corporation, 210 N. Industrial Park Drive, Hastings, Michigan 49058, SSP 165°F. pendant-type sprinkler. The sprinkler did not appear to have any observable damage, indicating an outside force, such as something striking the outside of the sprinkler, activated the sprinkler (Photos 1 & 2).

At the time of my visit, Rite-Aid was open and the heating system was operating. The second and third floors, which are heated independently from the Rite-Aid, did not have the boiler(s)

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operating/functioning. The heating pipes and radiators present on the second and third floor were cold to the touch. There is rust present on the radiators. The shut-off valves located on the radiators were frozen (rusted). This is consistent with the lack of heat and non-operating boilers (Photos 3 & 4).

In addition, you informed me that several windows may have been open at the time of loss. There are currently wood strips wedged in between the window frames and sill plates of the windows to prevent the windows from opening (Photos 5 & 6).

Based upon data acquired from the National Oceanic and Atmospheric Administration (NOAA), the average outside air temperature, at the time of the loss, was approximately 20°F. Without heat, as evident by the cold pipes and radiators, the water in the sprinklers and pipes would freeze and subsequently discharge the sprinkler due to the excessive pressure caused by freezing. Inspection of the boilers in the mechanical room and a review of the electric/oil receipts would be required to determine why the heat was not operating.

Based upon the preliminary results of my investigation, I have concluded, the activated/discharged sprinkler and subsequent water loss was caused by lack of heat on the second and third floors. It is also my opinion if the heat were present the loss would not have occurred.

Should additional information be provided, I reserve the right to modify, revise or supersede my opinions and conclusions.

Sincerely,
Plick and Associates, Forensic Engineers



Michael J. Zazula, C.F.E.I.
Consulting Engineer

Plick and Associates, Forensic Engineers

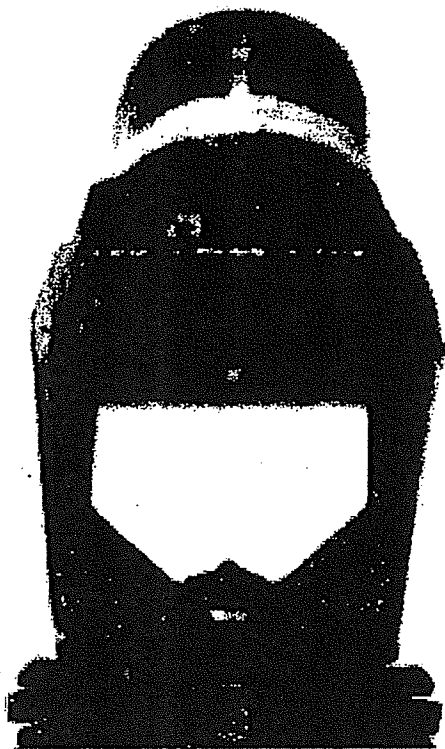


PHOTO 1 – Subject sprinkler

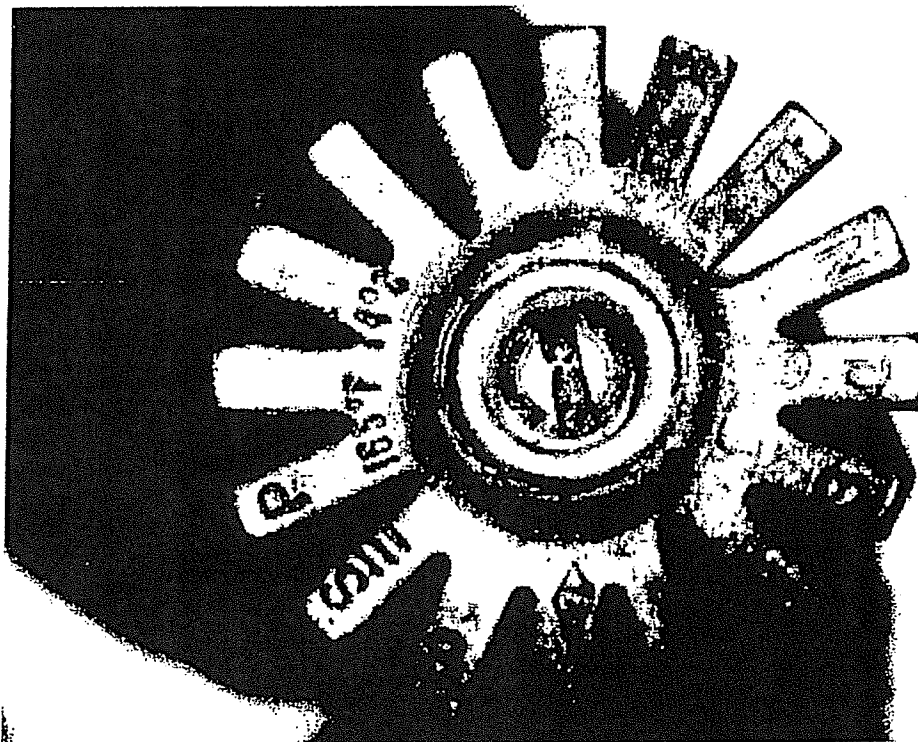


PHOTO 2 – Subject sprinkler

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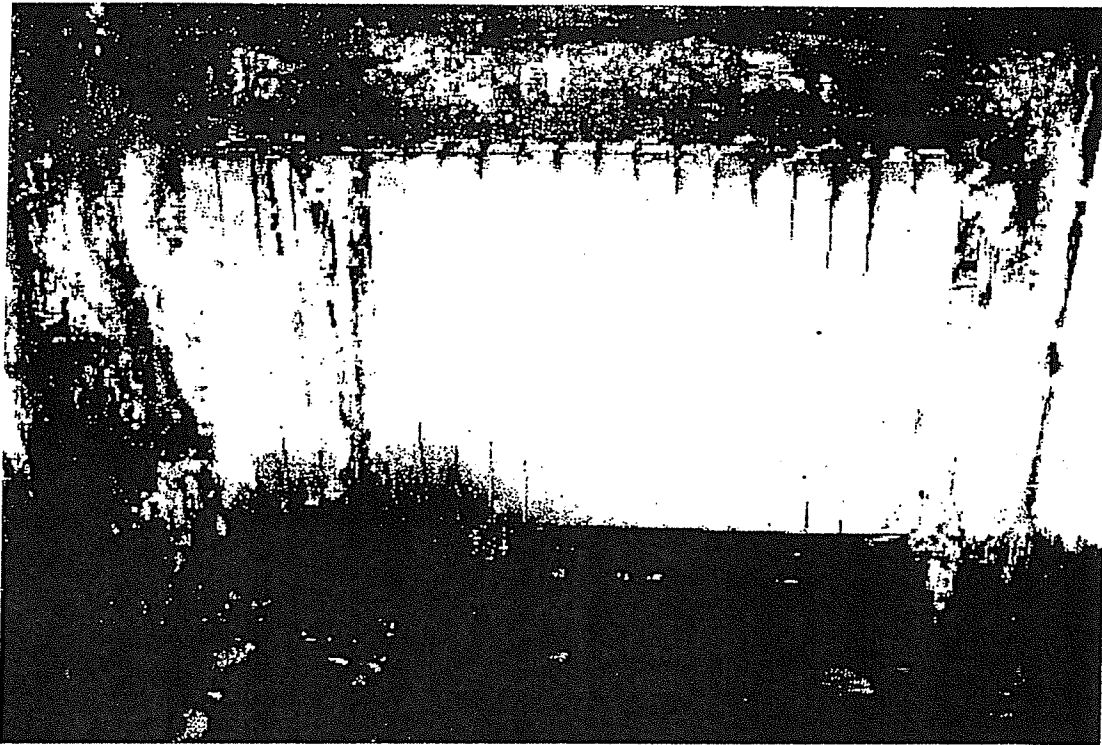


PHOTO 3 – Radiators and pipes in area of sprinkler activation

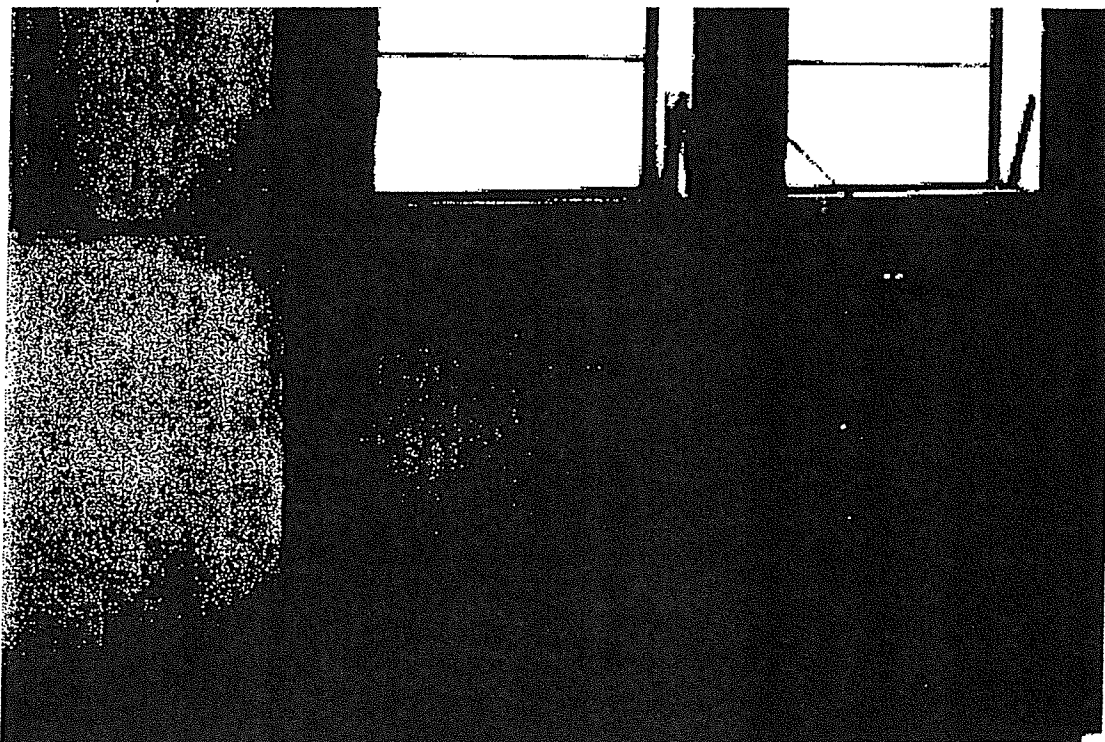


PHOTO 4 – Radiators and pipes in area of sprinkler activation

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PHOTO 5 – Wood strips in windows



PHOTO 6 – Exterior view of windows